

SENATE BILL NO. 234

INTRODUCED BY J. COBB

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PUBLIC SERVICE COMMISSION'S AUTHORITY TO APPROVE, DISAPPROVE, MODIFY, OR CONDITION THE ACQUISITION OR TRANSFER OF A PUBLIC UTILITY OR A PUBLIC UTILITY'S PROPERTY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Commission approval of public utility acquisition or transfer. (1) A public utility may not be acquired or transferred without the prior approval of the commission.

(2) The commission may approve, disapprove, modify, or condition an acquisition or transfer of a public utility to ensure that:

(a) the public interest will not be adversely affected;

(b) the proposed acquisition or transfer will not diminish the public utility's ability to provide reasonably adequate and reliable public utility services at just and reasonable rates;

(c) the cost of and rates for supplying service will not be increased by reason of the acquisition or transfer; and

(d) the applicant for acquisition or transfer has a bona fide intent and financial ability to operate and maintain the public utility.

(3) (a) For purposes of this section, "acquisition or transfer" means any transaction that, regardless of the means by which it is accomplished, results in:

(i) a change in ownership or control of a majority of the voting capital stock of a public utility or the ownership or control of any entity that owns or controls a majority of the voting capital stock of a public utility; or

(ii) the selling, assigning, leasing, or transferring of public utility property used in providing utility service.

(b) Acquisition or transfer does not include the selling, assigning, leasing, or transferring of public utility property in the ordinary course of business that the commission determines is not necessary or useful in providing utility service to the public.

1 **NEW SECTION.** **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
2 integral part of Title 69, chapter 3, part 1, and the provisions of Title 69, chapter 3, part 1, apply to [section 1].

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4 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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